

HOUSE BILL 923

By Hawk

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 51, Part 1; Title 8, Chapter 4; Title 9, Chapter 4 and Title 49, relative to lottery funded capital outlay projects for K-12 educational facilities pursuant to Article XI, Section 5 of the Constitution of Tennessee. This act makes appropriations for capital outlay projects for K-12 educational facilities for an indefinite period of time.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 4-51-111, is amended by adding the following language as a new subsection (g):

(g)

(1) There is created a special account in the state treasury to be known as the "K-12 lottery capital outlay special account," hereinafter referred to as the "lottery capital outlay account".

(2) Any funds remaining in the lottery for education account, including the balances of the general shortfall reserve subaccount and the special reserve subaccount created pursuant to subdivision (b)(4), at the end of each fiscal year in excess of two hundred fifty million dollars (\$250,000,000) shall be deemed excess lottery funds and shall be transferred to the lottery capital outlay account.

(3) Moneys in the lottery capital outlay account shall be used exclusively for capital outlay projects for K-12 educational facilities consistent with Article XI, § 5 of the Constitution of Tennessee and in accordance with § 8-4-118. Such moneys shall supplement, not supplant, non-lottery educational resources for capital outlay projects for K-12 educational facilities.

(4) Any balance remaining unexpended at the end of a fiscal year in the lottery capital outlay account shall not revert to the lottery for education account or the general fund but shall be carried forward into the subsequent fiscal year.

(5) Notwithstanding any provision of this section to the contrary, interest accruing on investments and deposits of the lottery capital outlay account shall be credited to such account, shall not revert to the lottery for education account or the general fund, and shall be carried forward into the subsequent fiscal year.

(6) Moneys in the lottery capital outlay account shall be invested by the state treasurer in accordance with § 9-4-603.

SECTION 2. Tennessee Code Annotated, Title 8, Chapter 4, Part 1, is amended by adding the following language as a new section:

Section 8-4-118.

(a) The comptroller shall develop and administer a grant program for capital outlay projects for K-12 educational facilities using funds available in the K-12 lottery capital outlay special account created pursuant to § 4-51-111(g).

(b) The comptroller shall:

(1) Establish a uniform application form and application process for grants awarded pursuant to this section; and

(2) Establish matching dollar requirements for grants awarded pursuant to this section based on need.

(c)

(1) Grants shall be awarded or credited annually to each public school district in Tennessee.

(2) Except as provided in subdivision (c)(3), each district shall be awarded an amount equal to the sum of the annual transfer made

pursuant to § 4-51-111(g)(2), if any, and accrued interest pursuant to § 4-51-111(g)(5), if any, less a reasonable amount pursuant to subsection (e), times the ratio of the district's average daily membership to the state total average daily membership. For the purposes of this subdivision (c)(2), "average daily membership" shall have the same meaning as provided in § 49-3-302.

(3) Individual district grants not awarded pursuant to subdivision (c)(2) in any year shall be credited and accumulated for the benefit of the individual district and shall be included in such district's grant availability in each subsequent year until awarded; provided that if no grants are available in a subsequent year pursuant to subdivision (c)(2), a district may apply for the amount credited and accumulated for the benefit of such district. Any unawarded amounts, plus any accrued interest, shall carry forward in the name of the individual district until awarded.

(d) The comptroller is authorized to audit any district awarded a grant pursuant to this section for compliance with the provisions of this act.

(e) Costs incurred by the comptroller in administering the grant program created under this section, which provides funding for capital outlay projects for K-12 educational facilities, shall be funded from the K-12 lottery capital outlay special account as part of such program.

### SECTION 3.

(a) The comptroller of the treasury is authorized to promulgate rules and regulations as the comptroller of the treasury may deem necessary to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with the Tennessee Code Annotated, Title 4, Chapter 5.

(b) Notwithstanding Tennessee Code Annotated, Sections 4-5-208 and 4-5-209 or any other provision of law to the contrary, the comptroller of the treasury is authorized to promulgate public necessity rules and emergency rules to implement the provisions of this act.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.